DISCLOSURE STATEMENT

LOUISIANA'S

STUDENT TUITION ASSISTANCE AND REVENUE TRUST (START) SAVING PROGRAM

Pursuant to Section 529 of the Internal Revenue Code of 1986, as amended

IMPLEMENTED BY:

LOUISIANA TUITION TRUST AUTHORITY

PROGRAM MANAGERS:

LOUISIANA TUITION TRUST AUTHORITY
LOUISIANA STATE TREASURER

March 17, 2004

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PREFACE

This Disclosure Statement of the Louisiana Student Tuition Assistance and Revenue Trust ("**START**") Savings Program ("**START Saving Program**"), as implemented by LSA-R.S. 17:3091 et seq (**"Act"**), and the Louisiana Education Tuition and Savings Fund ("**Fund**") are provided in connection with the START Saving Program Owner's Agreement which is required for the opening of an Education Savings Account ("**ESA**"). The START Saving Program Owner's Agreement ("**Agreement**"), all ESAs and the START Saving Program are governed by the laws of the United States, the laws of the State of Louisiana and the Rules and Regulations adopted by the Louisiana Tuition Trust Authority ("**LATTA**"). Any amendments to the federal or state statutes, rules or regulations governing the START Saving Program will amend the Agreement and the operation of the START Saving Program.

The capitalized terms not otherwise defined herein have the meanings ascribed to such terms in the rules and regulations adopted by LATTA. (*See the Glossary in Appendix A.*)

THIS DISCLOSURE STATEMENT PROVIDES IMPORTANT INFORMATION CONCERNING CERTAIN RISKS RELATING TO THE OPENING OF AN ESA AND CERTAIN RISKS INHERENT IN THE FUND. FOR THIS REASON, THIS DISCLOSURE STATEMENT SHOULD BE READ IN ITS ENTIRETY BEFORE TAKING ANY ACTION TO COMPLETE THE START SAVING PROGRAM OWNER'S AGREEMENT. THIS DISCLOSURE STATEMENT IS NOT A PART OF THE AGREEMENT; HOWEVER, THE PROVISIONS OF THE AGREEMENT, SPECIFICALLY THE TERMS AND CONDITIONS, ARE INCORPORATED BY REFERENCE IN THIS DISCLOSURE STATEMENT.

The opening of an ESA is necessarily a long-term investment because, generally, no payment is made from an ESA until a Beneficiary enrolls in an Eligible Educational Institution. An ESA should not be opened if the Account Owner anticipates liquidity needs or other financial needs that will require the Account Owner to terminate or withdraw funds from an ESA in order to provide for such needs. These accounts are generally nontransferable and no market for resale is known to exist. In order to liquidate an investment in an ESA for uses other than Qualified Higher Education Expenses, the Account Owner or the Beneficiary may incur an additional income tax liability and will forfeit Earnings Enhancements. An Account Owner may not transfer ownership of an account to another in order to liquidate the investment.

OVERVIEW

The Louisiana START Saving Program was created by the Louisiana Legislature, through adoption of LSA-R.S. 17:3091 et seq, to help make education affordable and accessible to all citizens of Louisiana, to encourage savings and to enhance the ability of citizens to obtain access to institutions of postsecondary education. The START Saving Program is Louisiana's Qualified Tuition Program under Section 529 of the Internal Revenue Code of 1986, as amended (**"IRC"**) and has been designed to allow individuals to save for the postsecondary education of account Beneficiaries in a tax-favored manner under the provisions of Section 529, IRC. To encourage college savings, the State of Louisiana provides state income tax exemptions and state deposits to accounts (Earnings Enhancements), which match a portion of an Account Owner's deposits.

The START Saving Program is administered by LATTA, a statutory board created specifically for the purpose of administering the program. Under the direction of LATTA, the Louisiana Office of Student Financial Assistance ("**LOSFA**") manages the program on a day-to-day basis. LATTA has implemented the START Saving Program statute by promulgation of rules in accordance with the Louisiana Administrative Procedure Act.

In order to participate in the START Saving Program, an applicant must complete a START Saving Program Owner's Agreement ("**Agreement**"), in which the Account Owner of the Education Savings Account ("**ESA**") designates a Beneficiary to receive funds contributed to the account (and earnings thereon) in order to pay for Qualified Higher Education Expenses at an Eligible Educational Institution. The Agreement is subject to the federal and state statutory requirements and the program rules. The rules may be obtained from LOSFA or accessed at the information center on LOSFA's website: www.osfa.state.la.us.

LATTA is required by federal law to obtain from each person who opens an account certain personal information - including social security number, name, street address, and date of birth, among other information that will be used to verify identity. If you do not provide us with this information, we will not be able to open the account.

Deposits made to an ESA will be credited to an individual account for the benefit of the Beneficiary. Deposits will be placed in a statutory trust fund, the Louisiana Education Tuition and Savings Fund (the **"Fund"**), which will be managed by the Louisiana State Treasurer. An Account Owner may select a START Saving Program investment option that offers Fixed Earnings, Variable Earnings, or both. Moneys deposited are invested by the State Treasurer. *(See the "Louisiana Education Tuition and Savings Fund" section below for details.)* Moneys deposited for investment in a Variable Earnings option are invested by the State Treasurer in one or more mutual funds managed by The Vanguard Group. The particular Vanguard fund or funds in which an investment option invests are selected by the Louisiana State Treasurer and may change over time. As an Account Owner, you will own an interest in securities issued by the START Saving Program, but you will not own shares of the underlying Vanguard funds.

LATTA may refuse to accept an Agreement based upon the applicant's failure to provide adequate documentation or to meet certain conditions set forth in the Terms and Conditions of the Agreement and in the rules and regulations adopted by LATTA.

Upon LATTA's acceptance of an Agreement, an individual ESA will be established in the name of the Account Owner and for the benefit of the named Beneficiary. A Beneficiary must be a Natural Person, including Independent Students. Funds are disbursed from the ESA for the purpose of paying the Qualified Higher Education Expenses of the Beneficiary for attendance at an Eligible Educational Institution.

After an Agreement has been accepted and deposits are being made according to the Terms and Conditions of the Agreement, LATTA is obligated to disburse funds to an Eligible Educational Institution, Account Owner and/or Beneficiary designated by the Account Owner, up to the Current Value of the ESA, to pay for the Qualified Higher Education Expenses of the Beneficiary. The START Saving Program does not assist a Beneficiary with respect to admission, continued attendance or graduation from a particular postsecondary institution.

Once the ESA is established, the Account Owner will choose one of six investment options to receive deposits made to the account. *(See the "Account Categories" section below for details.)*

All deposits to the START Saving Program are invested on behalf of the program by the Louisiana State Treasurer. The Louisiana Principal Protection Option and the Fixed Earnings portion of other options are managed by the Louisiana State Treasurer. (*See the " Louisiana Education Tuition and Savings Fund" section below for details.*) The Total Equity Option and the equity portion of other options are managed by the State Treasurer and the underlying investments by The Vanguard Group, which is under contract to the Louisiana State Treasurer and LATTA. (*See "Equity Investments" below for details.*)

LATTA guarantees the payment of the Redemption Value of funds contributed to an ESA that are invested in Fixed Earnings options and pooled in the Fund. In the event an ESA is terminated within twelve (12) months of the date the account was opened, the refund will be equal to the deposits made and WILL NOT INCLUDE INTEREST NOR EARNINGS ENHANCEMENTS. The START Saving Program statute provides that the Louisiana Legislature will authorize appropriations for the funds necessary to meet the payment demands made upon the Fund in the event the Fund has insufficient moneys on hand to meet those obligations.

No representation is made nor guarantee given as to the return (interest) on moneys invested in Fixed Earnings in the Fund.

Neither LATTA, LOSFA, the Louisiana State Treasurer nor the State of Louisiana guarantee the moneys that are invested in Variable Earnings options. Deposits to Variable Earnings options that are invested by the START Saving Program in funds of The Vanguard Group are not guaranteed nor insured by The Vanguard Group, the FDIC, or any other entity. The value of your account will depend on market conditions and the performance of the underlying funds in the investment options you select. **INVESTMENTS IN VARIABLE EARNINGS OPTIONS CAN GO UP OR DOWN IN VALUE, AND YOU COULD LOSE MONEY BY INVESTING IN THESE OPTIONS.**

LATTA, LOSFA, the Louisiana State Treasurer and The Vanguard Group make no representations regarding the suitability of the Variable Earnings investment options to any particular investor. Other types of investments and other types of college savings vehicles may be more appropriate, depending upon your personal circumstances. Please consult your tax or investment adviser for more information.

An ESA is generally nontransferable. *(See the "Transfer of Accounts" section below for details.)*

Disbursements and Refunds are restricted. *(See the "Disbursements" section and the "Refund" section below for details.)*

Significant tax consequences, both positive and negative, are connected with participation in the START Saving Program. The START Saving Program has been created by the state under the assumption that the program is tax-exempt and that the earnings generated by the investment of deposits are tax-exempt as a result of the program being designated a "Qualified Tuition Program" in accordance with Section 529, IRC. Additionally, the earnings on an ESA are exempt from federal and state taxes when disbursed from the account to pay the Beneficiary's Qualified Higher Education Expenses. In addition to the federal and state income tax consequences, there are gift tax consequences that should be considered upon the opening of an ESA on behalf of a Beneficiary and the making of deposits to that account. Please consult your tax or investment adviser for more information.

Finally, the impact of an ESA on the Beneficiary's ability to obtain federal, state or private need-based financial aid must be considered. The receipt of benefits under an ESA may affect the Beneficiary's qualification for certain need-based financial aid.

ABANDONMENT

An ESA will be abandoned in accordance with LSA-R.S. 9:151 *et seq.*, if, during any five year period subsequent to the Beneficiary's thirty-fifth birthday, the Account Owner has not communicated, in writing or by other means reflected in a contemporaneous record prepared by or on behalf of LATTA or LOSFA, with LATTA or LOSFA concerning the ESA in which the funds are held, and has not otherwise indicated an interest in the funds and the Beneficiary of the ESA has not requested a disbursement of any of the funds for Qualified Higher Education Expenses. A communication, whether in writing or otherwise, from a person other than the Account Owner will not be accepted as an indication of interest in an ESA, unless documentation is provided to the LATTA or LOSFA or its representative, which identifies that person's legal right to express an interest.

ACCOUNT CATEGORIES

Based on their state of residence and the relationship between Account Owners and their Beneficiaries at the time the Account Owner's application is filed, ESA's are assigned to one of six account categories. The assignment of an account category is permanent, except in the event of the transfer of ownership of an ESA due to the death or dissolution of an Account Owner. *(See "Transfer of Accounts" section below for further information.)* The category assigned each account determines whether the account is eligible to receive Earnings Enhancements (EE's) and sets the percentage of deposits that will be matched by EE's. *(See "Earnings Enhancements" section below for further information.)* ESA's opened for Account Owners are assigned to one of the categories described below.

Category I: Parents, grandparents, court-ordered custodians, persons claiming the Beneficiary as a dependent on their federal income tax return, if, at the time of the Agreement, the Account Owner or Beneficiary is a resident of the state.

Category II: A person or persons determined by the administering agency to be a Member of the Family of the Beneficiary and, at the time of the Agreement, the Account Owner or Beneficiary is a resident of the state. Members of the family include adults related to the Beneficiary as brothers, sisters, aunts, uncles, spouses, in-laws, stepparents and stepsiblings.

Category III: An Independent Student who is a resident of the state.

Category IV: Any other person or juridical entity if, at the time of the Agreement, the Beneficiary is a resident of the state.

Category V: Any other person or juridical entity that, at the time of the Agreement, is a resident of the state and the Beneficiary is not a resident of the state.

Category VI: Any other person or any government entity, and at the time of the initiation of the Agreement:

(i) The Beneficiary is a resident of the state.

(ii) The federal adjusted income of the Beneficiary's family is less than $30,000 or the Beneficiary is eligible for a free lunch under the Richard B. Russell National School Act (42 U.S.C. 1751 et seq.).

(iii) The Beneficiary is not a member of the account owner's family nor a member of the family of any member or employee of the LATTA or LOSFA.

The account category is established based on the facts at the time the application is submitted. With the exception of the change in ownership of an account due to the death or dissolution of the Account Owner, the account category will remain the same for the life of the account, regardless of changes in Beneficiary and/or the legal residence of the Account Owner and/or the Beneficiary. In the event of the death of an Account Owner who is Natural Person or the dissolution of an Account Owner who is a Legal Entity, the account category will be based on their state of residence and the relationship between the Account Owner and Beneficiary at the time the Account Owner's death.

Natural Persons and Legal Entities may open ESA's for the purpose of donating funds to assist unrelated, but financially needy Beneficiaries to pay for their Qualified Higher Education Expenses. These are classified as Category VI accounts. Such donations to an ESA classified in Category VI are IRREVOCABLE. Account Owners of Category VI accounts may elect to change the Beneficiary or authorize LATTA to name a new Beneficiary. In the event the new Beneficiary is not a Member of the Family of the first Beneficiary, there may be tax consequences. The Account Owner should consult with a qualified tax advisor prior to making such a change.

DISBURSEMENTS

Disbursements are made for payment of a Beneficiary's Qualified Higher Education Expenses at an Eligible Educational Institution. The Account Owner will designate the amount to be disbursed, not to exceed the Qualified Higher Education Expenses for the Eligible Educational Institution attended by the Beneficiary. The Account Owner may direct the disbursement to be made to the Eligible Educational Institution, to the Beneficiary and/or to the Account Owner. Should the Account Owner direct a disbursement be made for a Beneficiary who does not enroll in an Eligible Educational Institution, the Account Owner must redeposit the amount disbursed into the START Saving Program ESA within sixty (60) days after the disbursement. Should the Account Owner fail to redeposit the money, LOSFA will recover the amount of the Earnings Enhancements and interest thereon included in the disbursement from any principal and interest remaining in the account, refund any balance remaining thereafter and close the account.

Disbursements from investment options with Variable Earnings will be assigned a Trade Date of one business day after the business day of receipt.

EARNINGS ENHANCEMENTS

On an annual basis, LATTA will consider the eligibility of each ESA for an allocation of Earnings Enhancements. The amount of the Earnings Enhancement is determined by adding the deposits made by the Account Owner to the account during the calendar year and multiplying that sum by the appropriate rate, as determined by the classification of the account and the Account Owner's adjusted federal gross income. The allocation of Earnings Enhancements will not exceed the amount annually appropriated for this purpose by the Legislature. LATTA shall reduce Earnings Enhancement rates, pro rata, as required to limit the allocation of Earnings Enhancements to the amount appropriated.

A Fully Funded Account will not be eligible for state-appropriated Earnings Enhancements. (*See the Glossary for the definition of "Fully Funded Account."*)

Earnings Enhancements are deposited into the Fund by LATTA and invested in Fixed Earnings by the Louisiana State Treasurer. Earnings Enhancements and the interest earned thereon will not be invested in Variable Earnings.

Earnings Enhancements and the accumulated earnings thereon are the exclusive property of the State of Louisiana until disbursed in payment of a Beneficiary's Qualified Higher Education Expenses.

To be eligible for an Earnings Enhancement, the Account Owner of an account that is classified in Categories I, II or III *(see the "Account Categories" section above for details)* must authorize the Louisiana Office of Student Financial Assistance, on behalf of LATTA, to access the Account Owner's state tax return filed with the Louisiana Department of Revenue, or provide the Louisiana Office of Student Financial Assistance a copy of the federal or state income tax return filed for the previous year, or a statement as to why no income tax filing was required. An allocation of an Earnings Enhancement to an account represents a conditional credit to that account. If LATTA does not receive the necessary tax information and the account is classified in Categories I, II or III, the account will receive an allocation of Earnings Enhancement limited to the lowest rate, which is currently 2 percent.

An Earnings Enhancement is provided to accounts that are classified in Category IV at a rate equal to the rate for Account Owners who report an adjusted gross income of $100,000 or greater (currently 2%). *(See the "Account Categories" section above for details.)*

Accounts that are classified in Category V will not receive Earnings Enhancements. *(See the "Account Categories" section above for details.)*

To open a Category VI account *(see the "Account Categories" section above for details)* and to be eligible for an Earnings Enhancement, the Account Owner must provide the social security number(s) of the Beneficiary's Family and authorization from that person(s) for the Louisiana Office of Student Financial Assistance, on behalf of LATTA, to access the state tax return filed with the Louisiana Department of Revenue, or provide the Louisiana Office of Student Financial Assistance a copy of the Beneficiary's family's federal or state income tax return filed for the previous year, or a statement from the Beneficiary's family as to why no income tax filing was required. In the alternative, if applicable, the Account Owner may provide proof that the Beneficiary is a ward of the court, or, if applicable, proof that the Beneficiary is eligible for a free lunch under the Richard B. Russell National School Act (42 USC 1751 et seq.). After the first year allocation of EE's, the EE rate for all subsequent allocations to a Category VI account will be based on the Beneficiary's family's federal adjusted gross income for the previous year.

Earnings Enhancements may be used to pay the Beneficiary's Qualified Higher Education Expenses at an Eligible Educational Institution located in any state.

The right of a Beneficiary to the assets of an ESA shall not be subject to and is expressly dispensed from collation, execution, garnishment, attachment, the operation of bankruptcy or insolvency laws or other process of law.

Earnings Enhancements and the interest earned thereon shall not be included in any refund due to the termination of an account nor shall it be included in any transfer by a Legal Entity to a successor Beneficiary who is not a Member of the Family of the former Beneficiary.

Earnings Enhancements will not be included in any transfer of funds in an ESA to a different Section 529, IRC, Qualified Tuition Program.

EQUITY INVESTMENTS

By their nature, Variable Earnings (equity and bond) investments are volatile and subject to losses, particularly when the investment is made for a short period of time. Generally, equities appreciate in value over time; however, there is no assurance that the moneys so invested will grow in value or even maintain their value. Moneys invested in Variable Earnings ARE NOT GUARANTEED.

Investing in one of the Variable Earnings options provided by the START Saving Program and managed by The Vanguard Group involves certain risks, including the possibility that you may lose money over short or even long periods of time. The value of your account may increase or decrease over time based on the performance of the investment option you select. It is possible that, at any given time, your account's value may be less than the total amount contributed. Neither LATTA nor the START Saving Program makes any guarantee of, or has any legal obligations to ensure, a particular level of investment return. An investment in a Variable Earnings option provided by the START Saving Program and managed by The Vanguard Group is not a bank deposit, and it is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

The Variable Earnings options offered by the START Saving Program include underlying mutual funds managed by the Vanguard Group ("Vanguard"). Vanguard publishes a prospectus for each of its funds, which disclose the fund's objectives, policies, past performance and risks. If you are interested in an investment option that includes Variable Earnings, you can read the prospectus for each of the Vanguard mutual funds included in that option, which may be obtained from Vanguard *(See the "Contact US" section below for Vanguard's address.)*

Deposits for investment options that include Variable Earnings will be assigned a Trade Date based on the method of deposit and the date of receipt. Deposits by check or automatic bank debit will be assigned a Trade Date of five (5) business days after the business day during which they were received. Deposits made by electronic funds transfer will be assigned a Trade Date of one business day after the business day during which they were received. Deposits received on weekends and holidays will be considered received on the next business day.

FEES AND CHARGES

Although authorized to assess certain fees, LATTA has not approved the imposition of fees. All costs of LATTA or the Louisiana Office of Student Financial Assistance or the Louisiana State Treasurer in administering the START Saving Program and managing funds in Fixed Earnings options have been assumed by the State of Louisiana and paid from funds appropriated for that purpose. No fees or administrative costs are currently charged to an Account Owner or a Beneficiary or to the Fund for investments in Fixed Earnings and none are anticipated.

The START Saving Program is charged an investment management fee on the moneys it invests in mutual funds managed by The Vanguard Group. This fee, known as the underlying fund expense ratio, varies with each mutual fund up to 0.28% (or $2.80 per $1,000 invested) per year. These fees are deducted prior to the valuation of the funds' net asset value, thereby reducing the value of the START Saving Program's investments, which reduces the return to Account Owners who selected Variable Earnings options.

INVESTMENT OPTIONS

Account Owners must select one investment option for all funds deposited in each ESA.

Option One -- Age-Based Option: This option is geared toward investors who do not want the burden of monitoring and periodically adjusting their college investment portfolios. Deposits are automatically moved, over time, among different portfolios and invested in portfolios with progressively more conservative asset allocations. When the Beneficiary is very young, assets are invested mainly in stocks. As the Beneficiary ages, assets are automatically shifted, according to a set schedule, toward more bonds and short-term reserves in order to protect the Account Owner's capital and to reduce risk. IT IS POSSIBLE THAT MONEYS INVESTED IN THIS OPTION WILL LOSE VALUE.

Ages 0 through 5	Vanguard LifeStrategy Moderate Growth Portfolio
Ages 6 through 10	Vanguard LifeStrategy Conservative Growth Portfolio
Ages 11 through 15	Vanguard LifeStrategy Income Portfolio
Ages 16+	Louisiana Principal Protection Option

The Vanguard LifeStrategy Moderate Growth Portfolio invests in a Vanguard mutual fund (Vanguard LifeStrategy Moderate Growth Fund - VSMGX) that over time should reflect an asset allocation of about 60% common stocks and 40% bonds.

The Vanguard LifeStrategy Conservative Growth Portfolio invests in a Vanguard mutual fund (Vanguard LifeStrategy Conservative Growth Fund - VSCGX) that over time should reflect an asset allocation of about 40% bonds, 20% short-term fixed income investments, and 40% common stocks.

The Vanguard LifeStrategy Income Portfolio invests in a Vanguard mutual fund (Vanguard LifeStrategy Income Fund - VASIX) that over time should reflect an asset allocation of about 60% bonds, 20% short-term fixed income investments, and 20% common stocks.

Risks associated with the Vanguard mutual funds that underlie Option 1 include:

Stock Market Risk, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Bond risks, which include: *interest rate risk*, which is the chance that bond prices overall will decline because of rising interest rates; *income risk,* which is the chance that falling interest rates will cause the Fund's income to decline; *credit risk*, which is the chance that the issuer of a security will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause security prices to decline, thus reducing the underlying fund's return; and *call risk*, which is the chance that during periods of falling interest rates, issuers will call—or repay—higher-yielding bonds that are callable before their maturity dates. An underlying fund would lose potential price appreciation and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the fund's income. For mortgage-backed securities, this risk is known as *prepayment risk*.

Manager Risk, which is the chance that poor security selection will cause one of the Fund's actively managed underlying funds—and, thus, the fund itself—to underperform funds with a similar objective.

Option Two -- Louisiana Principal Protection Option: This option is the most conservative START Saving Program investment plan and is managed by the Louisiana State Treasurer. This option invests 100% of deposits and interest earned thereon in Fixed Earnings investments such as government bonds, notes, and certificates of deposit. The state guarantees the return of your principal so you cannot lose money, but does not guarantee any particular investment return. Every other option involves some risk of loss of principal.

Option Three -- Total Equity Option: This option invests 100% of each deposit in a Vanguard fund (Vanguard Total Stock Market Index Fund Admiral Shares – VTSAX) holding a broadly diversified portfolio of U.S. stocks, which allows account owners to seek the highest possible returns -- and assume the highest possible risk -- for their investment.

IT IS POSSIBLE THAT MONEYS INVESTED IN THIS OPTION WILL LOSE VALUE.

Option Four -- Balanced Option: This option invests 50% of each deposit in a Vanguard fund (Vanguard Total Stock Market Index Fund Admiral Shares – VTSAX) holding a broadly diversified portfolio of U.S. stocks and 50% in Fixed Earnings investments such as government bonds, notes, and certificates of deposit managed by the Louisiana State Treasurer (the state guarantees the return of your principal on Fixed Earnings investments managed by the Louisiana State Treasurer). IT IS POSSIBLE THAT MONEYS INVESTED IN THIS OPTION WILL LOSE VALUE.

Option Five -- Equity-Plus Option: This option invests 75% of each deposit in a Vanguard fund (Vanguard Total Stock Market Index Fund Admiral Shares – VTSAX) holding a broadly diversified portfolio of U.S. stocks and 25% in Fixed Earnings investments such as government bonds, notes, and certificates of deposit managed by the Louisiana State Treasurer (the state guarantees the return of your principal on Fixed Earnings investments managed by the Louisiana State Treasurer). IT IS POSSIBLE THAT MONEYS INVESTED IN THIS OPTION WILL LOSE VALUE.

Option Six -- Principal Preservation-Plus Option: This option invests 25% of each deposit in a Vanguard fund (Vanguard Total Stock Market Index Fund Admiral Shares – VTSAX) holding a broadly diversified portfolio of U.S. stocks and 75% in Fixed Earnings investments such as government bonds, notes, and certificates of deposit managed by the Louisiana State Treasurer (the state guarantees the return of your principal on Fixed Earnings investments managed by the Louisiana State Treasurer). IT IS POSSIBLE THAT MONEYS INVESTED IN THIS OPTION WILL LOSE VALUE.

If you select START Saving Program option 3, 4, 5 or 6, depending upon the option, all or a portion of each deposit will be invested in the Vanguard's Total Stock Market Index Fund.

The Vanguard Total Stock Market Index Fund employs a "passive management"—or indexing—investment approach designed to track the performance of the Wilshire 5000 Total Market Index, which consists of all the U.S. common stocks regularly traded on the New York and American Stock Exchanges and the NASDAQ over-the-counter market. All, or substantially all, of its assets are invested in the 1,300 largest stocks in its target index (covering nearly 95% of the Index's total market capitalization) and in a representative sample of the remainder. These investments hold a range of securities that, in the aggregate, approximate the full Index in terms of industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.

Risks associated with the Vanguard Total Stock Market Index Fund that underlie Options 3, 4, 5 and 6 include:

Stock Market Fluctuation, which could cause this option to lose money over short or even long periods. The share price and total return will fluctuate within a wide range, like the fluctuations of the overall stock market.

Stock Market Risk, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

INVESTMENT OPTIONS - CHANGES

Account Owners may change the investment option for each account owned one time only during any twelve (12) month period. For example, if an Account Owner changed the account's investment option from Option 2 to Option 3 on March 1, 2004, the account's investment option could not be changed again until March 1, 2005. Requests for the transfer of funds from the Variable Earnings option in which they are currently deposited to a different Variable Earnings option will be assigned a Trade Date of one business day after the business day of receipt of the transfer request.

LOUISIANA EDUCATION TUITION AND SAVINGS FUND

Deposits made pursuant to this Agreement are initially invested in a special statutory account in the State Treasury called the Louisiana Education Tuition and Savings Fund (**"Fund"**) and classified to one of two subaccounts: Fixed Earnings or Variable Earnings. Each subaccount consists of separate assets. The Fixed Earnings subaccount consists of deposits in a Fixed Earnings option, earnings on the deposits, forfeitures of interest, all other receipts from any other source that the LATTA determines appropriate and the Saving Enhancement Fund, which includes state appropriated Earnings Enhancements and earnings thereon. The Variable Earnings subaccount consists of deposits in a Variable Earnings option that are being held prior to investment by the START Saving Program in mutual funds managed by the Vanguard Group or being held prior to disbursement or refund.

Any claim for disbursement or refund of funds invested in Fixed Earnings options shall be solely against the assets of the Fund. No person shall have any claim against the state general fund or other funds or revenue sources of the state or against the funds of any Eligible Educational Institution as a result of deposits made pursuant to this Agreement or otherwise. Funds invested in the Variable Earnings components of any option are no longer assets of the Fund and claims for disbursement or refund shall be solely against the Current Value of such accounts and not against the Fund.

For deposits in Fixed Earnings options, and unless otherwise provided by law, the assets of the START Saving Program in the Fund will be expended first to Beneficiaries to pay their Qualified Higher Education Expenses and, second, to make refunds.

Deposits to investment options that are limited to Fixed Earnings will be considered to have been deposited on the date of receipt.

All disbursements from the Fund for the START Saving Program are made by the Louisiana State Treasurer on order of LATTA.

The Louisiana State Treasurer manages that portion of the Fund invested in a Fixed Earnings component of any option and may invest in any investments authorized by law. The instruments of title of all investments shall be delivered to the Louisiana State Treasurer or to a qualified trustee designated by him. Assets of the program in the Fund are administered by the Treasurer so that the assets will achieve the highest possible investment return to ESA's invested in Fixed Earnings options, consistent with the security of principal, and sufficient to satisfy the obligations of LATTA.

The Louisiana State Treasurer calculates the annual earnings rate for the Fixed Earnings options. The average daily balance of the Fund is computed at the end of each calendar year as follows: the sum of the daily balance each day of the calendar year (beginning balance plus all deposits and minus all disbursements) divided by 365. The earnings rate for each calendar year is based upon the following calculation: the uninvested portion (cash) of earnings, plus actual earnings received, plus accrued earnings, plus moneys other than deposits which may accrue to the benefit of the Fund, divided by the average daily balance for that calendar year.

LATTA will credit that portion of each ESA invested in Fixed Earnings with earnings calculated by multiplying the average daily balance of the account during a calendar year by the annual earnings rate approved by the Louisiana State Treasurer for that year and adopted by LATTA.

MANAGEMENT OF THE FUND

Under the Act, the Fund is invested by the Louisiana State Treasurer, a statewide elected official, and administered by LATTA. The composition of LATTA and the powers and duties of LATTA are set forth in LSA-R.S. 17:3093. A list of the current members of LATTA and a copy of its bylaws may be obtained by contacting the Louisiana Office of Student Financial Assistance at 1885 Wooddale Blvd., Baton Rouge, Louisiana 70806 or by accessing the Information Center on LOSFA's website: www.osfa.state.la.us.

REFUNDS

All moneys in an ESA that are disbursed but are not used to pay Higher Education Expenses or rolled over to a new Beneficiary who is a Member of the Beneficiary's family or rolled over to another qualified Section 529, IRC plan, are considered to be refunds and will result in additional state and federal taxes. The Account Owner should consult with a qualified tax advisor prior to requesting such a refund.

Except for Category VI accounts, refunds may be requested by Account Owners who are Natural Persons. *(See the "Account Categories" section above for details.)* In such cases, all principal and interest will be refunded to the Account Owner provided the account has been open for at least twelve (12) months. In the event an ESA is terminated within twelve (12) months of the date the account was opened, the refund will be equal to the deposits made and WILL NOT INCLUDE INTEREST NOR EARNINGS ENHANCEMENTS. Refunds will not include EE's and the interest thereon and may result in additional state and federal tax liability. The Account Owner should consult with a qualified tax advisor prior to requesting such a refund.

Refunds from investment options with Variable Earnings will be assigned a Trade Date of one business day after the business day of receipt, will not include EE's and the interest thereon and may result in additional state and federal tax liability. The Account Owner should consult with a qualified tax advisor prior to requesting such a refund.

Interest earned in excess of $3.00 in the Fixed Earnings portion of any option during the calendar year an ESA is terminated will be refunded on or about the forty-fifth day after the start of the next calendar year. Interest earned of $3.00 or less in the Fixed Earnings portion of an option during the calendar year an ESA is terminated will be forfeited to the Louisiana Education Tuition and Savings Fund.

A Legal Entity may open an account on behalf of any Beneficiary or as a donation to a Beneficiary who has financial need. Funds in an account owned by a Legal Entity cannot be refunded under any circumstances. The funds may be disbursed to the Beneficiary or the Account Owner may substitute a new Beneficiary.

Partial Refunds are not allowed, except in those cases where the Beneficiary receives a scholarship, waiver of Tuition, or similar subvention that LATTA determines cannot be converted into money by the Beneficiary, to the extent the amount of the refund does not exceed the amount of the scholarship, waiver of Tuition, or similar subvention awarded to the Beneficiary. In such case, the refund shall be equal to the scholarship, waiver of Tuition, or similar subvention that LATTA determines cannot be converted into money by the Beneficiary of the account.

REPORTS AND AUDITS

LATTA maintains an individual ESA for each approved Owner's Agreement, which shows the Current Value of the account. LATTA issues an annual statement to all Account Owners by March 31 of each year, reflecting all activities and balances of the previous calendar year. Upon request of the Account Owner or the Beneficiary, LATTA will provide a statement showing the Current Value of an account. This information is also available on the web at www.startsaving.la.gov. The Account Owner or the Beneficiary may request a statement at any time, subject to any fees that LATTA may impose for requests in excess of one per year.

No later than January 31 of each year, LATTA will report to the Internal Revenue Service, the Louisiana Department of Revenue and to each Account Owner, Beneficiary and Refund Recipient who received any disbursements or refunds from LATTA during the preceding year, information relative to the value of such disbursements or refunds.

LATTA is audited in accordance with the provisions of state law. A copy of the audit report will be provided to the governor, the President of the Senate and the Speaker of the House of Representatives. Copies of the audited financial report will be made available upon request.

RESPONSIBILITIES AND POWERS OF LATTA

Under the Act, LATTA or its authorized agent is authorized to contract with the Account Owner for the establishment of an ESA for the benefit of a named Beneficiary. The amount deposited into an ESA is completely within the discretion of the Account Owner, up to the Maximum Allowable Account Balance. Payroll deductions, automatic bank debits and direct payments (including lump sums) are acceptable methods for making deposits into an account. LATTA will annually determine the Current Value of each ESA and inform the Account Owner of a suggested deposit rate in order to meet the Qualified Higher Education Expenses at the Eligible Educational Institution selected by the Beneficiary. The projected amount of the monthly deposit is the theoretically correct amount to fund the Qualified Higher Education Expenses of the Beneficiary at the selected school, based upon current assumptions relative to cost increases, inflation and earnings. LATTA will maintain a database of Tuition costs for the school selected and the assumptions used to project the amount of monthly deposits. LATTA DOES NOT GUARANTEE THAT MAKING THE RECOMMENDED MONTHLY DEPOSITS WILL BE SUFFICIENT TO PAY THE QUALIFIED HIGHER EDUCATION EXPENSES OF THE BENEFICIARY AT THE ELIGIBLE EDUCATIONAL INSTITUTION SELECTED.

The moneys received from an Account Owner will be initially deposited into the Fund and, if a Variable Earnings option is selected by the Account Owner, withdrawn and invested in a mutual fund managed by The Vanguard Group.

The Louisiana State Treasurer periodically submits a proposed Fund investment policy to LATTA for approval, a copy of which will be provided to an Account Owner upon request. The Louisiana State Treasurer is responsible for the investment of the public funds of the State of Louisiana and manages more than 200 separate special funds, the state’s general fund and almost $1.02 billion in the Louisiana Education Quality Trust Fund (as of December 31, 2003). The investment policy for the Fund proposes conservative investments consistent with safety of principal. As the Fund grows over time, the investment policy will be reevaluated from time to time in order to assure continued safety of principal and a reasonable earnings rate. The Fund assets may be subject to market factors and fluctuations affecting its value. The State Treasurer may pool the assets of the Fund for investment purposes with any other investments of the State of Louisiana that are eligible for asset pooling. The Treasurer has investment managers within the Treasurer’s office to assist with the investment of Fund assets.

The Louisiana State Treasurer has selected the Variable Earnings investment options and the mutual funds provided by The Vanguard Group that will be components of the options. When an Account Owner selects a Variable Earnings option, the START Saving Program will invest all deposits in the underlying investments that comprise that option.

The Louisiana State Treasurer provides oversight of The Vanguard Group, in accordance with the investment contract with The Vanguard Group. LATTA is responsible for the administration of the START Saving Program.

ROLLOVER DEPOSITS

You can contribute to a START Saving Program ESA by transferring funds from another state's 529 Plan. This transaction is known as a “rollover.” Not more than once every 12 months, you may rollover assets from an account in another state's 529 Plan to an ESA in the START Saving Program for the same Beneficiary, without penalty or federal income tax consequences. You may also rollover funds from an account in another state's 529 Plan to an ESA in the START Saving Program at any time without penalty or federal income tax consequences when you change Beneficiaries, provided that the new Beneficiary is a Member of the Family of the old Beneficiary. The transfer of funds from another state’s 529 plan to a START Saving Program ESA that does not meet these criteria may not qualify as a rollover under Section 529, IRC, and may be subject to federal income tax, a federal penalty tax of 10% of earnings, and possibly state tax.

Incoming rollovers can be direct or indirect. Direct rollovers involve the transfer of money from one 529 Plan directly to another. Indirect rollovers involve the transfer of money from an account in another state's 529 Plan to the Account Owner, who then contributes the money to a START Saving Program ESA. To avoid penalties and federal income tax consequences, money received by an Account Owner from an indirect rollover must be deposited in a 529 Plan account within 60 days of the distribution. You should be aware that not all states permit direct rollovers of funds from 529 Plans. Additionally, there may be state income tax consequences (and in some cases state-imposed penalties or fees) resulting from a rollover out of another state's 529 Plan.

You may also contribute to a START Saving Program ESA with proceeds from the sale of assets held in a Coverdell Education Savings Account (formerly known as an Education IRA) or a Qualified U.S. Savings Bond.

The custodian for a minor under the Uniform Gifts to Minors Act or Uniform Transfers to Minors Act (“UGMA/UTMA”) may use the assets held in an UGMA/UTMA account to open a START Saving Program ESA and act as the Account Owner, subject to the laws of the state under which the UGMA/UTMA account was established. The minor and/or the minor's parent may incur capital gains (or losses) from the sale of noncash assets held by an UGMA/UTMA account. Earnings Enhancements for qualified accounts will be limited to a rate of 2%. There are other program and tax considerations associated with assets held in an UGMA/UTMA account invested in a START Saving Program ESA. Please contact a tax professional to determine how to transfer UGMA/UTMA custodial assets, and what the implications of such a transfer may be for you. Neither LATTA, LOSFA nor the Louisiana State Treasurer will be liable for any consequences related to a custodian's improper use, transfer, or characterization of custodial funds.

TERMINATION OF ACCOUNTS

With the exception of donations to an ESA classified in Category VI, an Account Owner who is a Natural Person may elect to terminate an ESA at any time and all funds in the account, except Earning Enhancements and interest thereon, will be refunded if the account has been open at least twelve (12) months. *(See the "Account Categories" section above for details.)* In the event an ESA is terminated within twelve (12) months of the date the account was opened, the refund will be equal to the deposits made to the Fixed Earnings options and WILL NOT INCLUDE INTEREST nor EARNINGS ENHANCEMENTS. Funds invested in a Variable Earnings option are not guaranteed and the refund will be the Current Value of the account, less Earnings Enhancements and earnings thereon, on the next business day after the business day the request for termination is received. Refunds from accounts invested in a Variable Earnings option may be less than the total of the original deposits, less any disbursements. Earnings that are refunded may be subject to state and federal income tax penalties. As an alternative to terminating an account, the Account Owner may substitute a Member of the Family of the Beneficiary as a new Beneficiary in accordance with the terms of the Agreement, in which case there would be no tax penalties.

An Account Owner who is a Legal Entity may not terminate an account; however, such an owner may name a substitute Beneficiary in accordance with the terms of the Agreement. If an Account Owner who is a Legal Entity names a substitute Beneficiary who is not a Member of the Family of the Beneficiary, the transfer of funds may be considered a refund under federal tax statutes and that portion of the transfer which is considered earnings may be subject to an additional tax of 10% and a state income tax liability. Additionally, a transfer to a substitute Beneficiary who is not a Member of the Family of the Beneficiary can result in a reduction in the Earnings Enhancements allocated to the account. Please contact your tax or investment advisor for more information.

TRANSFER OF ACCOUNTS

An ESA is generally nontransferable. With the exception of donations to an ESA classified in Category VI, refunds may be made to an Account Owner who is a Natural Person because of the death or Disability of the Beneficiary or as an offset of the amount of a scholarship received by the Beneficiary. *(See the "Account Categories" section above for details.)* Refunds that are not used for the Qualified Higher Education Expenses of the Beneficiary are subject to adverse tax consequences. The Account Owner should consult with a qualified tax advisor prior to requesting such a refund. Additionally, deposits that have been excluded from state taxable income in the year the deposits were made, and that are subsequently refunded for other than the Qualified Higher Education Expenses of the Beneficiary, must be included in the Account Owner's state taxable income for the year in which the refund is received.

In the event of the death of a Natural Person or dissolution of a Legal Entity whose account is classified in Category VI, the Beneficiary shall become the successor Account Owner, provided that all the rights and restrictions provided in law and these rules applicable to accounts classified in Category VI, including, but not limited to, use of the funds, refunds, terminations, designation of Beneficiary, etc. shall be applicable to the Beneficiary who becomes the owner of said account. Upon the death of a Natural Person or the dissolution of a Legal Entity whose accounts are classified in Category VI and their respective Beneficiary has died or failed to enroll in an Eligible Educational Institution by age 25, and no substitute Beneficiary was designated by the Account Owners, the Authority shall designate a new Beneficiary who must meet the requirements of §303.A.5 of the START Saving Program Rules.

IMPORTANT IMPLICATIONS AND CONSIDERATIONS

FINANCIAL AID IMPLICATIONS:

For purposes of qualifying for federal financial aid, the Current Value of an ESA should be reported on the FAFSA as "current investment" assets of the Account Owner. Participation in the START Saving Program has no impact on eligibility for state scholarship programs.

POTENTIAL FUTURE CHANGES IN TAX LAW:

The Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA") enhanced the federal tax incentives of 529 Plans. However, under the so-called "sunset" provisions of EGTRRA, these changes are set to expire for taxable years beginning after December 31, 2010. Unless the sunset provisions are repealed, or Section 529 is modified, the following provisions, among others, relating to 529 Plans would be eliminated after 2010:

- The exclusion from the Beneficiary's gross income of the earnings portion of disbursements used to pay for such Beneficiary's Qualified Higher Education Expenses.
- The additional 10% federal tax on the earnings portion of certain taxable refunds. In lieu of this tax, the 529 Plan would assess a more than de minimis penalty on such amounts.
- The ability under certain circumstances to make a qualified, tax-free rollover distribution for the benefit of the same Beneficiary.
- The ability under certain circumstances to treat as a qualified disbursement a transfer from one Qualified Tuition Program account to an account in another Qualified Tuition Program for the same Beneficiary.

- Inclusion of first cousins within the definition of Member of the Family of a Beneficiary.
- Certain favorable gift, estate, and generation-skipping transfer tax provisions.

OTHER TAX CONSIDERATIONS:

Section 529, IRC, provides that a Qualified Tuition Program is exempt from federal taxation. The START Saving Program is a Qualified Tuition Program in accordance with Section 529, IRC, and, as such, the earnings on moneys invested in an ESA are not taxed.

The earnings portion of distributions from an ESA will be exempt from federal and state tax if used to pay Qualified Higher Education Expenses. Distributions from an ESA will be reported to the Account Owner and/or the Beneficiary for tax purposes as required by law. Disbursements or refunds of earnings from an ESA that are not used for Qualified Higher Education Expenses will be subject to federal and state income taxes and may be subject to an additional state and federal tax.

Deposits to an ESA are treated as completed gifts to the Beneficiary for federal gift tax purposes. Section 529, IRC, provides that if the aggregate amount of deposits to an ESA in a single year exceeds the annual gift tax exclusion as provided for in Section 2503(b), IRC, the Account Owner may elect to take the deposit into account, for gift tax purposes, ratably over a five year period beginning with the year in which the deposit is made. Louisiana does not provide this gift tax option, so a deposit in excess of the Louisiana gift tax exclusion may be subject to Louisiana gift tax.

For tax years beginning on or after January 1, 2001, an Account Owner is entitled to an exemption from his/her Louisiana state taxable income for amounts deposited in an ESA up to a maximum of $2,400 per account owned per taxable year. If an Account Owner does not use the full $2,400 exemption in any tax year, any unused exemption may be rolled forward to be used in future tax years. Refunds of principal deposits which were previously excluded from state taxable income and which are not used for Qualified Higher Education Expenses must be included in state taxable income of the Account Owner for the year in which the refund is received.

The Account Owner may change the Beneficiary of an ESA, provided the new Beneficiary is a Member of the Family of the former Beneficiary. However, if the new Beneficiary is a generation below the former Beneficiary, the change of designated Beneficiary may be subject to federal taxes under Chapters 12 and 13 of the Internal Revenue Code. An Account Owner and/or Beneficiary should seek the advice of a qualified tax or financial advisor concerning the proper tax treatment of a distribution, a termination or a change in Beneficiary.

With the exception of accounts classified in Category VI, the Account Owner who is a Natural Person may name a substitute Beneficiary who is not a Member of the Family of the former Beneficiary. *(See the "Account Categories" section above for details.)* In this instance, the account will be terminated, the moneys deposited and the interest earned thereon will be refunded, and a new account will be opened in the name of the new Beneficiary. Earnings that are transferred may be subject to an additional 10 percent federal tax. Any Earnings Enhancements and the interest earned thereon will be forfeited; however, Earnings Enhancements will be paid the following calendar year on the amount deposited in the new account. Additionally, the deposits excluded from state taxable income in the year the deposits were made and which were subsequently refunded and used for other than Qualified Higher Education Expenses must be included in the Account Owner's state taxable income for the year in which the refund is received. The Account Owner should consult with a qualified tax professional to determine the proper treatment of the transferred funds for state and federal tax purposes.

The Account Owner of an account classified in Category VI may also name a substitute Beneficiary who is not a Member of the Family of the former Beneficiary. In this instance, the account will be terminated and the moneys deposited and the interest earned thereon will be transferred to a new account in the name of the new Beneficiary. Any Earnings Enhancements and the interest earned thereon will be forfeited; however, Earnings Enhancements will be paid the following calendar year on the amount deposited in the new account. The naming of a substitute Beneficiary who is not a Member of the Family of the original Beneficiary may be treated as a refund under federal and state tax laws, in which case the Account Owner will be subject to any associated tax consequences. Any Earnings Enhancements and the interest earned thereon will be forfeited; however, Earnings Enhancements will be paid the following calendar year on the amount deposited in the new account. The Account Owner should consult with a qualified tax professional to determine the proper treatment of the transferred funds for state and federal tax purposes.

SECURITIES CONSIDERATIONS:

LATTA has not heretofore requested a "no-action" letter from the U. S. Securities and Exchange Commission. It has sought a ruling or advisory opinion from the Louisiana Securities Commission as to whether or not the START Saving Program Owner's Agreement constitutes securities. The Louisiana Securities Commission has stated that the Agreement appears to be an investment contract and, as such, constitutes "securities" as that term is defined in the Securities Act of 1933 (the "Securities Act"). LATTA has sought the opinion of and has been advised by independent counsel that the START Program Saving Program Owner's Agreement, if considered "securities" within the meaning of the Securities Act, is, in their opinion, exempt from the registration provisions of the Securities Act under the exemption afforded by Section 3 (a) (2) of the Securities Act. A similar exemption exists with respect to these agreements under the Louisiana Securities Act pursuant to Louisiana Revised Statutes 51:708. Other states' tuition and savings programs have received no-action letters and have been exempt from registration requirements.

CONTACT US

If you have any questions concerning the START Saving Program or this Disclosure Statement, please contact us.

Telephone: 800-259-5626 Ext. 1012

Fax: 225-922-1488

E-mail START@osfa.state.la.us

U. S. Mail
START Saving Program
Louisiana Office of Student Financial Assistance
Post Office Box 91271
Baton Rouge, LA 70821-9271

Overnight Mail
START Saving Program
Louisiana Office of Student Financial Assistance
1885 Wooddale Boulevard
Baton Rouge, LA 70806

To obtain a prospectus for the underlying investments in a Variable Earnings option, contact The Vanguard Group. **DO NOT SEND ANY DOCUMENTS OR DEPOSITS TO THE VANGUARD GROUP.**

The Vanguard Group
Web Site: www.vanguard.com

U. S. Mail: The Vanguard Group
Post Office Box 1110
Valley Forge, PA 19482-1110

APPENDIX A
GLOSSARY

Account Owner is the person(s), Independent Student, organization or group that completes the START Saving Program Owner's Agreement on behalf of a Beneficiary and is the Account Owner of record of all funds credited to the account.

Beneficiary is the person named by the Account Owner in the Education Savings Account (ESA) Owner's Agreement (or the person named by LATTA when authorized to make such a designation by the owner of an account that is classified under LSA-R.S. 17:3096.A(1)(e)), as the individual entitled to apply the account balance, or portions thereof, toward payment of their Qualified Higher Education Expenses.

Current Value means the value of an Education Savings Account at a given point in time.

- The Current Value of Fixed Earnings investment options includes the accumulated value of the principal deposited, earnings on deposits, Earnings Enhancements (EE's) allocated to the account and the earnings on the EE's.
- The Current Value of Variable Earnings investment options includes the number of units in the investment option purchased multiplied by the current value of each unit plus the Earnings Enhancements (EE's) allocated to the account and the earnings on the EE's. This value may be more or less than the amount originally deposited.

Disabled or Disability refers to an individual who is considered to be disabled because he/she is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration. An individual shall not be considered Disabled unless he furnishes proof of the existence thereof in such form and manner as LATTA may require.

Earnings Enhancement (EE) is a payment allocated to an ESA, on behalf of the Beneficiary of the account, by the state. The amount of the annual EE is calculated based upon the classification of an account, the annual federal adjusted gross income of the Account Owner, and total annual deposits of principal into an ESA, including deposits in Fixed Earnings and Variable Earnings options. Earnings Enhancements, and the interest earned thereon, may only be used to pay the Beneficiary's Qualified Higher Education Expenses, or portion thereof, at an Eligible Educational Institution and cannot be refunded.

Education Savings Account (ESA) is a savings account established by a Natural Person or a Legal Entity to pay Qualified Higher Education Expenses of the designated Beneficiary.

Educational Term is a semester, quarter, term, summer session, inter-session, or an equivalent unit.

Eligible Educational Institution is either:

- A state college or university or a technical college or institute or an independent college or university located in this state that is accredited by the regional accrediting association, or its successor, approved by the U.S. Secretary of Education and eligible to participate in a program under Title IV of the Higher Education Act of 1965, as amended; or
- A public or independent college or a university located outside this state that is accredited by one of the regional accrediting associations, or its successor, approved by the U.S. Secretary of Education and eligible to participate in a program under Title IV of the Higher Education Act of 1965; or
- A Louisiana licensed proprietary school, licensed pursuant to R.S. Chapter 24-A of Title 17, and any subsequent amendments thereto and is eligible to participate in a program under Title IV of the Higher Education Act of 1965 (20 U.S.C. 1088), as amended.

False or Misleading Information is a statement or response made by a person, which is knowingly false or misleading, and made for the purpose of establishing a program account and/or receiving benefits to which the person would not otherwise be entitled.

Fixed Earnings refers to the placement of all deposits in an ESA, to include the interest earned thereon, in investments that normally provide a fixed rate of return for a specific period of time.

Fully Funded Account is an account in which the Current Value has equaled or exceeded the amount that is five times the annual Qualified Higher Education Expenses at the highest cost Louisiana public college or university, projected to the Scheduled Date of First Enrollment. The projected Qualified Higher Education

Expenses at each Eligible Educational Institution shall be updated by the administering agency. On the date of the Beneficiary's first enrollment in an Eligible Educational Institution, the Fully Funded amount will be fixed at five times the annual Qualified Higher Education Expenses at the highest cost Louisiana public college or university, for the academic year of enrollment or the projected amount, whichever is greater.

Independent Student is a person who is defined as an Independent Student by the Higher Education Act of 1965, as amended (HEA), and if required, files an individual federal income tax return in his/her name and designates him/herself as the Beneficiary of an ESA. The HEA defines Independent Student as a student who:

a. Reached 24 years of age prior to January of the year preceding the academic year for which the student is applying for aid;

b. Is a veteran of the U.S. Armed Forces, including a student who was activated to serve in Operation Desert Storm;

c. Is an orphan or a ward of the court or was a ward of the court until age 18;

d. Has legal dependents other than a spouse;

e. Is a graduate or professional student;

f. Is married; or

g. Has been determined independent by a financial aid officer exercising professional judgment in accordance with applicable provisions of the Higher Education Act of 1965, as amended

An Independent Student may only open an account as an Account Owner if he/she is 18 years or older.

Legal Entity is a juridical person including, but not limited to, groups, trusts, estates, associations, organizations, partnerships, and corporations that are incorporated, organized, established or authorized to conduct business in accordance with the laws of one or more states or territories of the United States. A Natural Person is not a Legal Entity.

Louisiana Education Tuition and Savings Fund (the Fund) is a special permanent fund maintained by the Louisiana State Treasurer for the purpose of the START Saving Program and is the account into which all initial deposits made to ESAs are deposited. The Fund includes the Savings Enhancement Fund, which is a special sub-account designated to receive Earnings Enhancements appropriated by the State, and interest earned thereon.

Louisiana Tuition Trust Authority (LATTA) is the statutory body responsible for administration of the START Saving Program.

Louisiana Office of Student Financial Assistance (LOSFA) is the agency of state government responsible for administering the START Saving Program under the direction of the Louisiana Tuition Trust Authority.

Louisiana Resident is any person who resided in the State of Louisiana on the date of the application and who has manifested intent to remain in the state by establishing Louisiana as legal domicile, as demonstrated by compliance with all of the following:

- If registered to vote, is registered to vote in Louisiana;
- If licensed to drive a motor vehicle, is in possession of a Louisiana driver's license;
- If owning a motor vehicle located within Louisiana, is in possession of a Louisiana registration for that vehicle;
- If earning an income, has complied with state income tax laws and regulations.

A member of the Armed Forces stationed outside of Louisiana, who claims Louisiana on his/her official DD Form 2058 as his/her "legal residence" for tax purposes, and is in compliance with state income tax laws and regulations shall be considered eligible for program participation. A member of the Armed Forces stationed in Louisiana under permanent change of station orders shall be considered eligible for program participation.

Persons less than 21 years of age are considered Louisiana Residents if they reside with and are dependent upon one or more persons who meet the above requirements.

A Legal Entity is considered to be a Louisiana Resident if it is incorporated, organized, established or authorized to conduct business in accordance with the laws of Louisiana or registered with the Louisiana Secretary of State to conduct business in Louisiana and has a physical place of business in Louisiana.

Maximum Allowable Account Balance is the amount, determined annually, and effective on August 1 of each year, and expressed as a current dollar value, which is equal to five times the Qualified Higher Education Expenses at the highest cost institution in the state. Once the Current Value of an ESA equals or exceeds the Maximum

Allowable Account Balance, principal deposits will no longer be accepted for the account. However, if subsequent increases occur in the Maximum Allowable Account Balance, principal deposits may resume until the Current Value equals the most recently determined Maximum Allowable Account Balance.

Member of the Family is, with respect to the designated Beneficiary:

1. The spouse of such Beneficiary; or
2. An individual who bears one of the following relationships to such Beneficiary;
    a. A son or daughter of the Beneficiary, or a descendant of either;
    b. A stepson or stepdaughter of the Beneficiary;
    c. A brother, sister, stepbrother, or stepsister of the Beneficiary;
    d. The father or mother of the Beneficiary or an ancestor of either;
    e. A stepfather or stepmother of the Beneficiary;
    f. A son or daughter of a brother or sister of the Beneficiary;
    g. A brother or sister of the father or mother of the Beneficiary;
    h. A son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law of the Beneficiary.
    i. Any first cousin of a Beneficiary; and
3. The spouse of an individual listed in items 2(a) through (i).

Natural Person means a human being.

Other Person, with respect to any designated Beneficiary, is any person, other than the Beneficiary, whether natural or juridical, who is not a Member of the Family, including but not limited to individuals, groups, trusts, estates, associations, organizations, partnerships, corporations, and custodians under the Uniform Transfer to Minors Act (UTMA).

Owner's Agreement is the agreement for program participation that the Account Owner completes and signs. It incorporates, by reference, LSA-R.S. 17:3091, et seq, and the rules promulgated by LATTA to implement this statutory provision and any other state or federal laws applicable to the agreement and the Terms and Conditions as set forth herein.

Person is a human being or a juridical entity.

Qualified Higher Education Expenses are:

1. Tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a designated Beneficiary at an Eligible Educational Institution; and
2. Room and Board; and
3. Expenses for Special Needs Services in the case of a Special Needs Beneficiary, which are incurred in connection with such enrollment or attendance.

Rate of Expenditure is the rate per Educational Term at which the EE's may be disbursed from an ESA to pay for the Beneficiary's Qualified Higher Education Expenses at an Eligible Educational Institution. For each disbursement requested by an Account Owner, EE's and the earnings thereon will be disbursed from the account in the same ratio that they bear to the Current Value of the account.

Redemption Value is the cash value of the moneys in an ESA invested in a Fixed Earnings option that are attributable to the sum of the principal deposited and the earnings on principal authorized to be credited to the account by LATTA, less any disbursements and refunds. The Redemption Value does not include any EE's allocated to the account or the earnings on EE's. Redemption Value is not applicable to an ESA invested in Variable Earnings.

Refund Recipient is the person designated by the Account Owner in the START Saving Program Owner's Agreement or by operation of law to receive refunds from the account. The Refund Recipient can only be the Account Owner or the Beneficiary.

Room and Board is the reasonable cost for the Educational Term incurred by the designated Beneficiary for Room and Board while attending an Eligible Educational Institution on at least a half time basis, not to exceed the maximum amount included for Room and Board for such period in the cost of attendance (as currently defined in §472 of the Higher Education Act of 1965, 20 U.S.C. 1087ll) as determined by the Eligible Educational Institution for such period, or if greater, the actual invoice amount the student residing in housing owned or operated by the Eligible Education Institution is charged by such institution for Room and Board.

Saving Enhancement Fund is the sub-account established within the Tuition and Savings Fund by the State Treasurer to receive funds appropriated by the Legislature or donated from any other source for the purpose of funding EE's.

Scheduled Date of First Enrollment for a dependent Beneficiary is the month and year in which the Beneficiary turns 18 years of age. For an Independent Student over the age of 18, the scheduled date of first-enrollment is the date the account is opened. This date is used to determine eligibility for EE's. See the term "*Fully Funded Account*."

Special Needs Services and Beneficiary are services provided to a Beneficiary because the student has one or more disabilities.

Trade Date is the date that a deposit to an investment option that includes Variable Earnings is assigned a value in units or the date a disbursement or refund from an investment option that includes Variable Earnings is assigned a value or the date of a change in investment options that includes Variable Earnings is assigned a value, whichever is applicable.

Tuition is the mandatory educational charge required as a condition of enrollment and is limited to undergraduate enrollment. It does not include non-residence fees, laboratory fees, Room and Board nor other similar fees and charges.

Variable Earnings refers to that portion of funds in an ESA invested in equities, bonds, short-term fixed income investments or a combination of any of the three.